

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Easthampton Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: November 30, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on August 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.0% and an adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Enc.



Alternative 1
7.00% Investment Return
5.0% Total Cost Increasing

**Easthampton Retirement System
January 1, 2020 Actuarial Valuation**

Total cost increases 5.0% per year until FY31 with a final amortization payment in FY32

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Change in Cost</u>
2021	1,389,090	125,000	1,854,910	3,369,000	20,652,075	
2022	1,451,599	125,000	1,960,851	3,537,450	20,124,090	5.0%
2023	1,516,921	125,000	2,072,402	3,714,323	19,446,425	5.0%
2024	1,585,182	125,000	2,189,856	3,900,039	18,602,633	5.0%
2025	1,656,516	125,000	2,313,525	4,095,041	17,574,803	5.0%
2026	1,731,059	125,000	2,443,734	4,299,793	16,343,441	5.0%
2027	1,808,956	125,000	2,580,826	4,514,782	14,887,341	5.0%
2028	1,890,359	125,000	2,725,162	4,740,521	13,183,448	5.0%
2029	1,975,426	125,000	2,877,122	4,977,547	11,206,709	5.0%
2030	2,064,320	125,000	3,037,105	5,226,425	8,929,912	5.0%
2031	2,157,214	125,000	3,205,532	5,487,746	6,323,516	5.0%
2032	2,254,289	125,000	3,374,378	5,753,667	3,355,466	4.8%
2033	2,355,732	125,000		2,480,732	0	-56.9%

Appropriation payments assumed to be made on August 1 of each fiscal year

Normal cost assumed to increase 4.5% per year

Assumed expenses of \$440,000

FY21 amount maintained at level of current funding schedule